

### **REMARKS**

Claims 2, 4 and 36-94 are pending in this application. The Office Action states claims 76-94 have been withdrawn from consideration (as explained below, it is believed claims 12-19, 53-62 and 76-94 actually stand withdrawn). Claims 2, 4, 36-52 and 63-75 have been rejected. Claims 36, 43, 51, 52, 53 (withdrawn), 63, 74, 75, 76 (withdrawn), 84 (withdrawn), 93 (withdrawn), and 94 (withdrawn) are independent.

The pending claims have been maintained unchanged.

The Examiner is thanked for the telephonic interview conducted on August 15, 2006. This Response has been prepared in accordance with the discussion during that interview between the Examiner and Applicant's undersigned attorney.

Applicant has the following observation regarding the status of certain claims.

The statement at page 2 of the Office Action that claims 76-94 have been withdrawn from consideration is believed to be in error insofar as other portions of the Office Action suggest additional claims stand withdrawn. The Office Action Summary sheet states that claims 53-62 and 76-94 have been withdrawn from consideration. The body of the Office Action, at page 2, states that new claims 53-62 and 76-94 and revised claims 12-19 are directed to an invention that is independent or distinct from the invention originally claimed.

Accordingly, it is believed that the Office Action was intended to state at page 2 that claims 12-19, 53-62 and 76-94 have been withdrawn from consideration; the statement at page 2 noting claims 76-94 have been withdrawn is believed to be an error. If, however, this

understanding is incorrect, it is requested that the Examiner advise the undersigned of the status of all the pending claims so that Applicant can file a suitable supplemental paper, if necessary.

**The Rejection Under  
35 U.S.C. § 103(a)**

Claims 2, 4, 36-52 and 63-75 have been rejected under 35 U.S.C. § 103(a) as being unpatentable over what the Office Action characterizes as "Mobile Commerce" in view of U.S. Patent No. 5,715,314 to Payne. Applicant respectfully traverses this rejection and submits the following arguments in support thereof.

Applicant respectfully submits that the rejection under 35 U.S.C. § 103(a) in the Office Action fails to comply with 37 C.F.R. § 1.104(c)(2), which states in pertinent part "[t]he pertinence of each reference, if not apparent, must be clearly explained and each rejected claim specified." The Office Action does not consider the **claimed** invention. The Office Action is deficient for failing to explain why the features of the **claimed** invention are found in the cited art. Instead of identifying the features of each claim allegedly suggested by the cited art, or, at the least, a representative independent claim, the Office Action discusses general concepts of electronic commerce and the types of equipment which may be used to practice electronic commerce without reference to any specific claim(s) (admittedly, some of that language may appear in the claims). However, the rejection under 35 U.S.C. § 103(a) is defective for failing to recognize that the scope of Applicant's invention is determined by the precise language of the claims, and address the invention **as claimed**. It is the invention as claimed which the Office Action must show is suggested by the cited art before a rejection under § 103(a) can be made, and the outstanding Office Action fails to do so.

Turning to the cited references, Applicant has the following comments.

First, to insure the prosecution record is clear, Applicant wishes to point out that the "Mobile Commerce" citation actually refers to **two** different references, namely, "Geoff, Nairn; "MOBILE COMMERCE Visions of 'An Internet With Wings,'" Financial Times, 01 July 1998, Proquest #30857907" (hereafter Mobile Commerce) and "McDonald, Malcolm; "Smartcard Chip Reduces EFTPOS Security Risk-Tobin," Dominion, 30 March 1998, Proquest #28386959 (hereafter McDonald).

To the extent the Office Action characterizes Mobile Commerce and McDonald as a single reference and fails to justify the combination of **each** of those references with Payne, the Office Action is in error.

It is not proper to treat Mobile Commerce and McDonald as a single reference. Mobile Commerce and McDonald were published in different magazines (Financial Times and Dominion, respectively), and clearly, the two documents are separate and independent references.

As separate references, those references cannot be applied together under § 103(a) unless a suitable justification for their combination can be established. Absent a suggestion to combine, it is improper to apply the references

There is no explanation in the Office Action of why Mobile Commerce and McDonald would be combined.

Nor is a proper basis given to support the combination of Mobile Commerce, McDonald and Payne. The assertion in the Office Action that "Mobile Commerce" (in reality, the references to Mobile Commerce and McDonald) are properly combined with Payne is

respectfully traversed as being insufficient according to Federal Circuit case law and the M.P.E.P. - the Office Action does not point to any specific evidence to justify that combination, as is required.

When a rejection under 35 U.S.C. § 103(a) is based upon multiple references, the Examiner must show some suggestion or motivation, before the invention itself, to make the combination of those references. Ruiz v. A.B. Chance Co., 357 F.3d 1270, 1275, 69 U.S.P.Q.2d 1686, 1690 (Fed. Cir. 2004); see also M.P.E.P. § 2143.01(I) (noting "[t]here are three possible sources for a motivation to combine references: the nature of the problem to be solved, the teachings of the prior art, and the knowledge of persons of ordinary skill in the art." and "[t]he level of skill in the art cannot be relied upon to provide the suggestion to combine references").

The Federal Circuit holds that the showing of a motivation to combine must be clear and particular and **it must be supported by actual evidence**. Teleflex Inc. v. Ficosa North America Corp., 299 F.3d 1313, 1334, 63 U.S.P.Q.2d 1374, 1387 (Fed. Cir. 2002) (emphasis added). **Broad conclusory statements regarding the teaching of multiple references, standing alone, are not evidence.** In addition to demonstrating the propriety of an obviousness analysis, particular factual findings regarding the suggestion, teaching or motivation to combine serve a number of important purposes. In re Dembiczak, 175 F.3d 994, 999-1000, 50 U.S.P.Q.2d 1614, 1617 (Fed. Cir. 1999) (emphasis added).

Moreover, according to the M.P.E.P. the mere fact that references can be combined or modified does not render the resultant combination obvious **unless the prior art also suggests the desirability of the combination**. M.P.E.P. § 2143.01(III) (emphasis added).

Here, the Office Action fails to establish a basis for the combination of Mobile Commerce, McDonald and Payne sufficient to establish a *prima facie* case of obviousness.

The Office Action asserts that claims 2, 4, 36-52 and 63-75 are unpatentable under 35 U.S.C. § 103(a) over of "Mobile Commerce" (actually Mobile Commerce and McDonald) in view of Payne because:

[t]he combination of Mobile Commerce and Payne is properly motivated given that Mobile Commerce teaches payment systems being investigated for use in the mobile commerce model. Payne discloses a payment system known by one of ordinary skill in the art as being used in the industry.

Applicant respectfully traverses this rejection on grounds the purported justification for combining the cited references is insufficient.

The Office Action's justification for the combination of Mobile Commerce and McDonald with Payne does not constitute a "clear and particular" statement as is required by Dembiczak (also, as previously explained, the Office Action also errs in characterizing Mobile Commerce and McDonald as a single reference because by doing so the Office Action avoids justifying the combination of each of those references). Nor does this justification comply with the M.P.E.P., which requires a showing of a teaching in the reference **suggesting** the combination, not merely a showing that teachings of different references could be combined. So the Office Action's justification is merely an unsupported broad conclusory statement, which is precisely the type of justification that Dembiczak held is not evidence. Nowhere does the Office Action point to a specific teaching in any of these three references (or any other reference) to support the asserted combination, as is required by the Federal Circuit and the M.P.E.P.

Consequently, the combination of Mobile Commerce, McDonald and Payne is based only upon unsupported speculation, and so is not well-taken. For this reason the rejection under 35 U.S.C. §103(a) is not well-taken and must be withdrawn.

This combination is also in error because Mobile Commerce cannot be modified in the manner that the Office Action suggests, to use Payne's payment scheme. In this regard, it should be noted that M.P.E.P. § 2143.01(VI), states "[i]f the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims prima facie obvious."

Here, a principle of operation of Mobile Commerce involves solving a problem caused by the lack of personal computers for use in Internet commerce and the desirability of solving that problem by having a purely mobile phone-based commerce system which does not require use of such computers. Mobile Commerce states "Millions of people who may never own a PC but who use - or hope to use - mobile phones, will still have access to new Internet services".

Consequently, one skilled in the art would understand Mobile Commerce teaches away from the use of a computer by the purchaser in electronic commerce.

In contrast, Payne, which the Office Action relies on extensively as teaching the aspects of this invention by which commerce is implemented, is solely concerned with electronic commerce using computers - there is no mention of phone-based commerce (see Fig. 1; all participating parties, buyer, merchant and payment entity, use computers). In particular, Payne

repeatedly refers to the buyer computer (Fig. 1, element 12). Merchant and payment computers are also discussed.

One skilled in the art studying the teachings of Mobile Commerce therefore would recognize Mobile Commerce teaches away from the use of a computer by a buyer for commerce, and so would not consider modifying Mobile Commerce according to the teachings of Payne, which uses just such buyer and merchant computers.

Turning to the claimed invention, Applicant will now explain why that invention is not suggested by the cited art.

For the purpose of addressing this rejection, it is helpful to note Applicant's invention, as described in claim 36, involves an electronic settlement system for setting up a transaction through a communication network. This system has a paying terminal which is operated for participating in the transaction, this paying terminal being connectable to the communication network and including an information indicating unit, the paying terminal including an input unit for inputting information regarding the transaction, a virtual register which is connectable to the communication network for participating in the transaction with the paying terminal, and a synchronizing server communicating with the paying terminal and the virtual register. The synchronizing server sets up link information including transaction ID information in association with the virtual register and transmits the link information to the paying terminal upon receipt by the synchronizing server of the information regarding the transaction transmitted by the paying terminal, and the synchronizing server establishes a synchronization of communication between the paying terminal and the virtual register one-to-

one upon receipt of both the same transaction ID information and a signal in response to the link information from the paying terminal.

Of course, it will be appreciated that this explanation is by way of example only, and not limitation, and that the other independent claims differ in scope from claim 36.

The Office Action **admits** that both Mobile Commerce and McDonald fail to suggest details of a payment system (Office Action, pg. 4) (as noted above, the Office Action defines "Mobile Commerce" as including both of these references).

While Payne arguably teaches a commerce system, Payne does not even suggest all of the features of the claimed invention.

For example, one feature of this invention as described in claim 36 involves the synchronizing server setting up link information including transaction ID information for the purpose of verifying the transaction. In this regard, claim 36 provides that information regarding the transaction is transmitted by the paying terminal (the customer), and the synchronizing server synchronizes communication between the paying terminal and virtual register after receiving both the same transaction ID information and a signal in response to the link information from the paying terminal. So it should be noted that, according to the present invention, the same transaction ID sent to the virtual register (corresponding to a seller's terminal) is transmitted by the paying terminal (customer) to the synchronizing server for the purpose of identifying the particular transaction.

As explained in the specification, for example, at page 15, lines 7-13, page 16, lines 4-13, page 23, lines 4-20, and page 30, lines 5-32, by providing the synchronizing server and using link information including the transaction ID information, transaction security is



improved because the identify of the purchaser can be verified without the need for direct communication between the purchaser and the seller. The synchronizing server servers as an intermediary therebetween.

In contrast, some aspects of Payne's system involve direct communication between the purchaser and seller:

In an alternative embodiment, step 34 consists of the **buyer computer sending a purchase product message to the merchant computer, and the merchant computer provides payment VRL A to the buyer computer** in response to the purchase product message. In this alternative embodiment, payment URL A contains the same contents as above. The buyer computer then sends the payment URL A it has received from the merchant computer to the payment computer.

(col. 5, lines 48-56) (emphasis added).

Also, Payne states:

The payment computer then sends a redirect to access URL to the **buyer computer (step 90), which sends the access URL to the merchant computer** (step 92). The merchant computer verifies whether the access URL authenticator was created from the contents of the access URL using the cryptographic key (step 94). If not, the merchant computer sends a document to the buyer computer indicating that access to the product is denied (step 96).

(col. 7, lines 31-39) (emphasis added)

The foregoing arguments are equally applicable to the remaining rejected independent claims, which present features comparable to the above-mentioned synchronizing server and link information having transaction ID information.

By way of example, claim 43, directed to an electronic settlement server system, speaks of a processing unit establishing synchronization of communication between a paying terminal and virtual register upon receipt of the same transaction ID information and a signal in

response to the link information from a paying terminal. Claim 51 describes a recording medium storing a computer program having a processing module that establishes synchronization of communication between a paying terminal and virtual register upon receipt of both the same transaction ID information and a signal in response to link information from a paying terminal, and claim 52 is drawn to a computer program with such a processing module.

In like manner, claim 63 concerns an electronic settlement server system which includes a processing unit that establishes synchronization of communication between a paying terminal and virtual register upon receipt of both the same transaction ID information and a signal in response to link information from a paying terminal. Claims 74 and 75 respectively describe a recording medium having a computer program and a computer program, each having such features.

It is respectfully submitted that Payne does not even suggest these aspects of the invention. While Payne transfers different URLs between buyer, payment and merchant computers (and in some cases does so by direct communication between the buyer and merchant computers), that still does not suggest the aspects of the invention just described, which allow for efficient and secure authentication of the commercial transaction being implemented.

For all the foregoing reasons, the claimed invention patentably distinguishes over Payne.

In summary, the outstanding rejection under 35 U.S.C. § 103(a) is not well-taken because (1) the rejection fails to explain how the claimed invention is suggested by the cited art, and so does not comply with 37 C.F.R. §1.104(c)(2), (2) the cited references are not properly

combined, and (3) if those references are combined the resulting combination still does not suggest all the features of the claimed invention.

For all the foregoing reasons, favorable reconsideration and withdrawal of this rejection are respectfully requested.

### **CONCLUSION**

Applicant respectfully submits that the sole outstanding rejection has been addressed and is now overcome. Applicant further submits that all claims pending in this application are patentable over the prior art. Accordingly, favorable reconsideration and withdrawal of that rejection is respectfully requested.

Other than the extension fee authorized in the accompanying Petition For Extension of Time, no fees are believed to be due in connection with the filing of this Response. Nevertheless, should the Commissioner deem any fees to be now or hereafter due, the Commissioner is authorized to charge all such fees to Deposit Account No. 19-4709.

In the event that there are any questions, or should additional information be required, please contact Applicant's attorney at the number listed below.

Respectfully submitted,

**/David L. Schaeffer/**  
David L. Schaeffer  
Registration No. 32,716  
Attorney for Applicant  
Stroock & Stroock & Lavan LLP  
180 Maiden Lane  
New York, New York 10038  
(212) 806-6677